

portant as this question is, it is not the only question which students of planned economies must answer.

The Soviet economist has today recognized that there may be a discrepancy between actual Soviet prices and the "separating hyperplane" which mathematically represents the alternatives from which planners choose when they select a "best" plan among those available to them. This discrepancy—which does not exist in a competitive market economy—makes it impossible for Soviet economists to interpret money values of Soviet aggregates like "consumption" and "investment" as Western economists can interpret corresponding Western aggregates. Recognition of this discrepancy has been a major step in the revival of Soviet economics, and constitutes an important theme in Ellman's discussion. But the Soviet economy continues to operate despite the peculiar nature of Soviet prices, and Soviet economists have done little to elucidate the consequences of their actual price system. In part, this is because "planning" in the Soviet context is institutionally distinct from the formulation of fiscal and monetary policy. These topics, which are an important part of Western economics, are still neglected in the Soviet Union.

Ellman's readers will find a fascinating mixture, here, of rapid Soviet progress in the recognition of the usefulness of mathematical programming in solving some quantitative planning problems, and of general Soviet neglect of other questions which are now regularly asked about the operations of other economic systems.

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COMECON AND THE POLITICS OF INTEGRATION. By *Henry Wilcox Schaefer*. Praeger Special Studies in International Politics and Public Affairs. New York, Washington, London: Praeger Publishers, 1972. xiv, 200 pp. \$15.00.

This book is the "story" of Comecon as reflected in official pronouncements and press commentaries of member countries, chronologically covering the 1968–71 period. The purpose of the study is to compile a partial record of intrabloc relations.

Though the reader will encounter few surprises, he will find occasional insights—for example, on the operation of the Comecon Investment Bank (pp. 98–101, 187). The study confirms that integration has not yet been defined, much less achieved, in Comecon. It also shows that the USSR, Bulgaria, and Poland tend to be the most enthusiastic supporters of closer economic cooperation within the bloc, as long as it does not lock them into positions as suppliers of raw materials. The USSR's chief concern is to reap the political benefits of economic integration; Bulgaria and Poland hope to enhance their role as suppliers of manufactured goods. East Germany and Rumania occasionally find themselves on the same side of issues—one resisting attempts to encroach on a foreign trade position already achieved, the other protecting its freedom to pursue its own industrial development program. Post-1968 Czechoslovakia is marking time, and Hungary's main concern is to keep its domestic options open.

The book provides a good perspective on the significance of the Complex Program adopted in July 1971, whose main achievement is a consensus on what integration steps should be tried in the next ten to twenty years. In the author's

opinion, "There was now little prospect of integration becoming essentially an economic process based to a large degree on a devolution of decision-making, as many had imagined it might during the preinvasion [August 1968] period of high reform hopes. There was also less prospect of integration becoming a suprastate process, which many in the immediate postinvasion period feared would happen through the introduction of some sort of central planning role for Comecon" (p. 191). Fully rejecting these extreme solutions, the Complex Program gave a new emphasis to voluntary bilateral and multilateral cooperation on specific projects.

The author is to be commended for leaving no relevant documents and articles unturned (well over five hundred are cited). However, since there is not much substance to the position shifts of Comecon members, which are described in minute detail and illustrated with lengthy quotations from press documents, the inevitable conclusion is that for the general reader as well as the specialist an article on the subject would have sufficed.

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THE POTENTIAL FOR JOINT VENTURES IN EASTERN EUROPE. By *Robert S. Kretschmar, Jr.*, and *Robin Foor*. Praeger Special Studies in International Economics and Development. New York, Washington, London: Praeger Publishers, 1972. xxvi, 153 pp. \$15.00.

This is a topical book primarily addressed to the American reader "to assist a business decision-maker to analyze the East European markets and to evaluate the opportunities for cooperation agreements and joint ventures for his firm" (p. xiv). The study is illustrated with some forty tables, charts, and exhibits.

The precision with which the authors use most terms and concepts is noteworthy. By their definition a joint venture exists "when both partners have influence over the decision-making processes . . . and when they share in the risks and rewards of the venture" (p. 4). By this token, most East-West production and marketing cooperation agreements currently in force are not in fact joint ventures. The authors offer many useful practical hints on how to look for business opportunities in Eastern Europe, how to negotiate and formulate contracts, and how to conduct business with socialist partners in general. There is a competent treatment of financial trappings.

On some (minor) points of detail, the authors' judgment or knowledge may be questioned. The per capita income figures in 1970 given for Czechoslovakia (\$1,903) and East Germany (\$1,824) (p. 25) should be reversed. The forecast of a convertible East European currency (probably the Hungarian forint) by the mid-1970s is too hasty, and it is not true that "there is no evidence of any plans for ruble convertibility with Western currencies" (p. 37). Nor is it true any longer that the representatives of Western firms in Moscow all operate from hotel rooms only (p. 48).

The authors clearly and convincingly discuss the arguments for joint ventures both on the Eastern and Western side, but are not unduly caught on a wave of enthusiasm. They bring out the obstacles on each side, particularly those manacled American venturers, and do not anticipate a large number of U.S. firms directly crossing this new frontier.

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